



## H.R. 6003 – Passenger Rail Investment and Improvement Act

### EXECUTIVE SUMMARY

H.R. 6003 was introduced by Representative James Oberstar (D-MN) and was reported from the House Committee on Transportation and Infrastructure on June 5, 2008, by voice vote. It is expected to be considered in the House under a structured rule on June 11, 2008.

Amtrak was created by Congress in 1970 and currently serves more than 500 destinations in 46 states and employs 19,000 people. Although the authorization for Amtrak expired in 2002, Congress has continued to provide assistance as Amtrak runs a yearly deficit of approximately \$1 billion. In 2008, Congress appropriated \$1.35 billion for grants to Amtrak. The President has requested \$900 million for Amtrak for fiscal year 2009.

H.R. 6003 authorizes \$14.9 billion for rail programs through fiscal year 2013 for Amtrak capital and operating grants, state intercity passenger grants, and high-speed rail over the next five years. The bill establishes the Intercity Passenger Rail Investment grant program to assist with financing the capital costs of facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail service and the High Speed Rail Corridor grant program for the financing, design, construction, and operation of an initial high-speed rail system between New York City and Washington, DC. In addition, the bill allows the Department of the Treasury to restructure and repay Amtrak's debt.

The Administration has issued a veto threat for H.R. 6003 because "it would authorize an appropriation of more than \$14 billion without requiring any meaningful reforms in Amtrak's governance or operations and without allocating resources based on the demand for passenger rail service." The Administration is also concerned that the bill expands Davis-Bacon prevailing wage requirements.

The Congressional Budget Office (CBO) estimates that enacting H.R. 6003 would cost \$12.4 billion over the 2009-2013 period.

### FLOOR SITUATION

H.R. 6003 is being considered on the House floor under a structured rule:

- Provides one hour of general debate, with one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure.
- Waives all points of order against consideration of the bill except those arising under clause 9 or 10 of rule XXI.
- Provides that the amendment in the nature of the substitute recommended by the Committee on Transportation and Infrastructure shall be considered as an original bill for the purpose of amendment and shall be considered as read.
- Waives all points of order against the committee amendment in the nature of a substitute except those arising under clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).
- Makes in order only those amendments printed in the Rules Committee report accompanying the resolution.



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- Provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.
- Waives all points of order against the amendments printed in the report except for those arising under clause 9 or 10 of rule XXI.
- Provides one motion to recommit with or without instructions.

This legislation was introduced by Representatives James Oberstar (D-MN) on May 8, 2008. The bill was reported from the House Committee on Transportation and Infrastructure on June 5, 2008.

H.R. 6003 is expected to be considered on the House floor on June 11, 2008.

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## BACKGROUND

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Amtrak, also known as the National Passenger Railroad Corporation, was created by Congress in 1970 to provide passenger rail service between cities. Amtrak currently operates a nationwide rail network that serves more than 500 destinations in 46 states on 21,000 miles of routes and employs nearly 19,000 employees.

In 1997, the Amtrak Reform and Accountability Act (P.L. 105-134) authorized Amtrak through December 2002 and required Amtrak to operate without federal assistance after 2002. Although the authorization has expired, Amtrak continues to operate in a deficit, and Congress has provided funding assistance each year. Amtrak earned \$2.15 billion in revenue and incurred costs of \$3.18 billion during fiscal year 2007. In fiscal year 2008, Congress appropriated \$1.325 billion for grants to Amtrak, as well as \$30 million for state matching grants for passenger rail capital improvements. President George W. Bush requested \$900 million for Amtrak for fiscal year 2009.

According to Amtrak, more than 25.8 million passengers rode their trains during fiscal year 2007. The three most utilized Amtrak routes during fiscal year 2007 were the Boston to New York City to Washington, DC, portion of the Northeast Corridor which carried more than 10 million passengers in fiscal year 2007; the Surfliner Service which carried more than 2.7 million passengers in Southern California; and the Capitol Corridor Service which carried more than 1.45 million passengers in Northern California.

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## SUMMARY

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H.R. 6003 reauthorizes Amtrak through fiscal year 2013. The bill authorizes \$14.9 billion for capital and operating grants, state intercity passenger grants, and high-speed rail over the next five years.

Tunnel Project: H.R. 6003 authorizes \$60 million over five years for a new rail tunnel alignment in Baltimore, Maryland, that will enable increased train speed and service reliability and ensure the completion of an environmental review.

Modern Financial Accounting System: The bill authorizes the Amtrak Board of Directors to employ an independent financial consultant with experience in railroad accounting to assist in implementing an improved accounting and reporting system. Amtrak is required under this legislation to submit a detailed report to Congress that allocates revenues and costs to each route, line of business, and each major activity within a route or line of business. Amtrak is also directed to submit a five year financial plan to the Secretary of Transportation and the Inspector General for the Department of Transportation (DOT).



Northeast Corridor: H.R. 6003 establishes the Northeast Corridor Infrastructure and Operations Advisory Commission to develop recommendations for the Northeast Corridor rail infrastructure and operations. The bill requires Amtrak to conduct a study to determine improvements needed to provide regular Acela service between Washington, DC and New York City in 2 hours and 30 minutes, 2 hours and 15 minutes, and 2 hours, and between New York City and Boston in 3 hours and 15 minutes, 3 hours, and in 2 hours and 45 minutes.

*\*Note: The Acela Express is the fastest train in North America, with a normal speed of 150 mph on a 35-mile portion of its route between Boston and New Haven. Otherwise, its top speed is generally 135 mph between Boston and Washington D.C.*

Debt Restructuring: The bill allows the Secretary of the Treasury, in consultation with the Secretary of Transportation and Amtrak, to restructure and repay Amtrak's debt. In addition, it prohibits Amtrak from incurring additional debt without the approval of the Secretary of the Treasury. The Secretary of the Treasury is required to report to the relevant Congressional committees regarding the details of any agreements to restructure the Amtrak debt and to provide an estimate of cost savings to Amtrak and the United States government.

Plan for Restoration of Service: H.R. 6003 requires Amtrak to provide a plan for restoring passenger rail service between New Orleans, Louisiana, and Sanford, Florida, within nine months of the date of enactment. The bill authorizes \$1 million for this provision.

*\*Note: Passenger rail service between New Orleans and Sanford was suspended as a result of Hurricane Katrina in 2005.*

Locomotive Biofuel Study: This section requires the Administrator of the Federal Railroad Administration (FRA), in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, to conduct a study to determine the extent to which freight and passenger rail operators could use biofuel blends to power its locomotive fleet. The bill authorizes \$1 million for this study.

Buy American: H.R. 6003 subjects Amtrak to the Buy American Act for purchases of \$100,000 or more.

State Rail Plans: The bill allows states to prepare a State rail plan to set forth state policy involving freight and passenger rail transportation, to present priorities and strategies to enhance rail service in the State that benefits the public, and to serve as the basis for Federal and State rail investments within the State.

Intercity Passenger Rail Investment Grants: H.R. 6003 allows the Secretary of Transportation to make grants to assist in financing the capital costs of facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail service. The Secretary may not approve a grant for a project unless it is a part of a State Rail plan. In addition, the bill requires workers employed with funds provided under this section to be paid according to Davis-Bacon Act requirements.

Next Generation Corridor Train Equipment Pool: The bill requires Amtrak to establish a Next Generation Corridor Equipment Pool Committee, made up of representatives from Amtrak, the FRA, freight railroads, equipment manufacturers, and other passenger rail operators. The Committee is responsible for designing and developing specifications for, and the procurement of standardized next-generation corridor equipment.

Passenger Rail System Comparison Study: H.R. 6003 requires the Comptroller General of the United States to complete a study, within one year of the date of enactment, that compares the passenger rail systems in Canada, Germany, Great Britain, England, France, China, Spain, and Japan.



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High-Speed Rail: The bill allows the Secretary of Transportation to establish and implement a high-speed rail corridor grant program. H.R. 6003 authorizes \$350 million for each of fiscal years 2009 through 2013. In addition, the bill requires the Secretary of Transportation to request proposals for projects for the financing, design, construction, and operation of an initial high-speed rail system between Washington, DC, and New York City. The bill requires workers employed with funds provided under this section to be paid according to Davis-Bacon Act requirements.

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## AMENDMENTS

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- 1) Representative James Oberstar (D-MN): **Manager's Amendment (REVISED)** Would provide that none of the funds may be used to employ workers in violation of section 274A of the Immigration and Nationality Act; and requires the Secretary of Transportation to conduct a study on ways to streamline compliance with National Historic Preservation Act requirements for federally funded railroad infrastructure projects. It also contains provisions regarding the Northeast Corridor. It requires studies regarding the expansion of the South Central High-Speed Rail Corridor to Memphis and to far south Texas. It requires proposals for building station stops for the proposed high-speed rail system in the Northeast Corridor. It also would authorize intercity passenger rail grants to be used for bicycle access into rolling stock and would provide bicycle racks in trains. Finally, it makes technical corrections to the bill.
- 2) Representatives Tom Davis (R-VA)/Chris Van Hollen (D-MD)/Steny Hoyer (D-MD): Would authorize the Transportation Secretary to make grants to the Washington Metropolitan Area Transit Authority to finance in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Board of Directors of the Transit Authority. It would prohibit funds to the Transit Authority unless the Authority ensures its rail customers have access to any services provided by any licensed wireless provider that notifies the Authority of its intent to offer services to the public.
- 3) Representative Adam Smith (D-WA): Would require Amtrak to engage in good faith discussions with commuter rail entities and public transportation authorities operating on the same trackage owned by a rail carrier as Amtrak, with respect to routing and timing of trains to efficiently move a maximal number of commuters, intercity and passenger rail passengers, particularly during peak times of commuter usage. It also would require such discussion with respect to the expansion and enhancement of commuter rail and regional rail public transportation service.
- 4) Representative Pete Sessions (R-TX): Would prohibit funds from being used for the long distance Amtrak route with the highest cost per seat/mile according to Amtrak's March 2008 monthly performance report unless the Secretary has transmitted a waiver for this route or a portion of it because the Secretary considers it critical to homeland security.
- 5) Representative Carolyn McCarthy (D-NY): **(REVISED)** Would add the passenger rail system comparison study a request to study train horn technology, with an emphasis on reducing train horn noise and its effect on local communities.
- 6) Representative Jeff Flake (R-AZ): Would remove section 104 of the bill (Baltimore tunnel project)
- 7) Representative Christopher Murphy (D-CT): **(REVISED)** Would express support for commuter rail service between New Haven, CT, and Springfield, MA. It would encourage Amtrak to cooperate with state Departments of Transportation to expand commuter rail service on that line. Amtrak shall report to Congress and the Transportation Departments of Connecticut and



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Massachusetts on the total cost of uncompleted infrastructure maintenance on the rail line between New Haven and Springfield.

- 8) Representatives Patrick Murphy (D-PA)/Allyson Schwartz (D-PA)/Rush Holt (D-NJ): Would require Amtrak, within one year of enactment, to report to Congress on the results of an evaluation of passenger rail between Cornwells Heights, PA, and New York City, NY, and between Princeton Junction, NJ, and New York City, NY, to determine whether to expand passenger rail service by increasing the frequency of stops or reducing commuter ticket prices for this route.

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## COST

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According to the Congressional Budget Office, "Assuming appropriation of the amounts specified and estimated to be necessary, CBO estimates that enacting the legislation would cost \$12.4 billion over the 2009-2013 period. The bill could affect direct spending because it would authorize the Department of the Treasury to repay Amtrak debt—without further appropriation—if the department chooses to negotiate with Amtrak's creditors to restructure the debt. CBO does not expect that the Treasury would seek to restructure and repay Amtrak's debt. If, however, the Treasury did repay Amtrak's debt, that provision would increase direct spending by more than \$2 billion over the next several years. Enacting the legislation would not effect revenues." ([CBO Cost Estimate](#))

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## ADDITIONAL VIEWS

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According to the Statement of Administration Policy, "the Administration strongly opposes House passage of H.R. 6003, which would reauthorize the National Railroad Passenger Corporation (Amtrak) for five years, because it would authorize an appropriation of more than \$14 billion without requiring any meaningful reforms in Amtrak's governance or operations and without allocating resources based on the demand for passenger rail service. For this reason, and others set forth below, if the bill were presented to the President in its current form, his senior advisors would recommend he veto it...Titles III and V would expand Davis-Bacon Act coverage, which is contrary to the Administration's long-standing policy of opposing any statutory attempt to expand or contract the applicability of Davis-Bacon Act prevailing wage requirements."

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## STAFF CONTACT

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For questions or further information contact Brianne Miller at (202) 226-2302.